

Message Text

CONFIDENTIAL

PAGE 01 STATE 049581
ORIGIN EUR-03

INFO OCT-01 ISO-00 /004 R

66011
DRAFTED BY:EUR/RPE:WRSALISBURY
APPROVED BY:EUR/RPE:WRSALISBURY
-----040711 260229Z /64

R 250404Z FEB 78
FM SECSTATE WASHDC
INFO AMEMBASSY BRUSSELS 0000

C O N F I D E N T I A L STATE 049581

BRUSSELS FOR USEEC

FOL VIENNA 1710 SENT ACTION SECSTATE INFO TEHRAN USDOEHQ
WASHDC USDOEHQ GERMANTOWN FEB 22, 1978 REPEATED TO YOU QUOTE

C O N F I D E N T I A L VIENNA 01710

USIAEA

DEPT FOR ASST.SEC. ATHERTON, DEPUTY UNDER SEC. NYE
DOE FOR DEP. ASST.SEC. SIEVERING

E.O. 11652: XGDS
TAGS: PARM, IR, TECH
SUBJECT: U.S./IRAN NUCLEAR COOPERATION AGREEMENT

REF: TEHRAN 01044

1. U.S. TEAM (NOSENZO (OES), BENGELSDORF (DOE), BRUSH
(DOE) AND SLOAN (L)) MET AFTERNOONS AND EVENINGS OF
FEBRUARY 19, 20, 21 AND 22 WITH IRANIAN TEAM MANZOUR
AND TABARI TO NEGOTIATE DETAILS OF DRAFT AGREEMENT AND
ACCOMPANYING NOTE. PROGRESS, WHILE SLOW, WAS STEADY,
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 STATE 049581

WITH ISSUES RAISED BY PROPOSED CHANGES OFFERED BY
IRANIAN SIDE IN JANUARY BEING RESOLVED IN AN ACCEPTABLE
MANNER IN COMPLIANCE WITH PENDING U.S. LEGISLATION AND
POLICY. ONLY MAJOR OUTSTANDING ISSUE IS MOST FAVORED
NATION (MFN) CLAUSE IN DRAFT NOTE AS DISCUSSED BELOW.

2. AT OPENING SESSION, U.S. SIDE GAVE IRANIANS PROPOSED

REDRAFT OF MFN CLAUSE AS FOLLOWS: "RECOGNIZING IRAN'S LEADERSHIP ROLE IN THE FIELD OF NON-PROLIFERATION, THE UNITED STATES INTENDS TO IMPLEMENT ANY COOPERATION AND EXERCISE ITS RIGHTS UNDER THE AGREEMENT IN A WAY THAT ENSURES THAT IRAN ENJOYS TREATMENT NO LESS FAVORABLE WITH REGARD TO, INTER ALIA, BENEFITS, OPPORTUNITIES AND FREEDOMS OF ACTION THAT THE UNITED STATES MAY AFFORD UNDER COMPARABLE CIRCUMSTANCES TO ANY OTHER PARTY WITH WHICH THE UNITED STATES IS COOPERATING."

3. IRANIAN SIDE DID NOT COMMENT ON U.S. DRAFT DURING THIS SESSION. HOWEVER, IN SUBSEQUENT CONVERSATION WITH NOSENZO FOLLOWING SESSION, MONZOUR SAID THAT IRANIANS FULLY EXPECTED U.S. REDRAFT OF IRANIAN PROPOSED MFN CLAUSE. HE SAID THAT HE WAS UNDER INSTRUCTIONS FROM THE SHAH THROUGH DR. ETEMAD TO DO WHATEVER IS NECESSARY TO COMPLY WITH U.S. LAW AND REACH FINAL AGREEMENT. HOWEVER, CORNERSTONE OF THIS AGREEMENT WAS THE MFN CLAUSE AS REDRAFTED BY IRANIAN SIDE WHICH, IN THEIR VIEW, REFLECTED PRESIDENT'S COMMITMENT TO SHAH. THE IRANIAN TEXT WAS AS FOLLOWS: "RECOGNIZING IRAN'S LEADERSHIP ROLE IN THE FIELD OF NON-PROLIFERATION, THE UNITED STATES INTENDS TO IMPLEMENT THE AGREEMENT IN A WAY THAT ASSURES THAT IRAN AS A MOST FAVORED NATION ENJOYS, INTER ALIA, THE SAME BENEFITS AND OPPORTUNITIES AND FREEDOMS OF ACTION AS MAY BE AVAILABLE TO ANY OTHER
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 STATE 049581

STATE WITH WHICH THE UNITED STATES COOPERATES."

4. MONZOUR SAID THAT WHILE HE HAD NOT EXAMINED CAREFULLY THE U.S. LANGUAGE, ELIMINATION OF REFERENCE TO "MOST FAVORED NATION" AND "LOOPHOLE" PROVIDED BY PHRASE "UNDER COMPARABLE CIRCUMSTANCES" CLEARLY WERE MEANT TO WATER DOWN U.S. COMMITMENT AND THEREFORE DID NOT PROVIDE A BASIS FOR AGREEMENT. MONZOUR STRESSED THAT IRANIAN MFN LANGUAGE WAS HAMMERED OUT WITH GREAT DIFFICULTY WITHIN THE GOI AND IMPLIED THAT LANGUAGE HAD PERSONALLY BEEN REVIEWED BY THE SHAH.

5. MANZOUR CALLED NEXT DAY TO SAY THAT UPON EXAMINATION THEY COULD NOT ACCEPT ANY OF THE LANGUAGE CHANGES TO MFN CLAUSE. WE THEREFORE AGREED TO INFORM WASHINGTON OF THIS DEVELOPMENT BECAUSE OF ITS CENTRALITY TO AGREEMENT BUT ONLY AFTER IT WAS CLEAR FROM NEGOTIATION THAT NO OTHER MAJOR PROBLEMS EXISTED.

6. IN COURSE OF FEBRUARY 21 DISCUSSION, ISSUE OF MFN CAME UP IN FULL SESSION IN CONNECTION WITH SPECIFIC APPLICATION OF MFN CLAUSE TO POSSIBLE U.S. FUTURE

APPROVAL OF REPROCESSING. MONZOUR MADE IT CLEAR THAT MFN CLAUSE IN IRANIAN VIEW DID NOT RPT NOT APPLY TO GUARANTEES IN AGREEMENT (E.G., IRAN DID NOT WANT SPECIAL SAFEGUARDS TREATMENT SUCH AS IN U.S./EURATOM AGREEMENT). RATHER, THEY WISHED FIRM UNQUALIFIED COMMITMENT THAT ANY BENEFITS THAT U.S. WOULD NEGOTIATE OR APPROVE SUBSEQUENT WITH REGARD TO CIVIL NUCLEAR COOPERATION WITH FRANCE, EURATOM OR ANY OTHER COUNTRY AFTER THE U.S./IRAN AGREEMENT WOULD BE AVAILABLE TO IRAN, REGARDLESS OF TIME FRAME. AS EXAMPLE, MONZOUR SAID IF U.S. ALLOWS FRANCE TO REPROCESS AND FABRICATE PLUTONIUM FOR USE IN FRENCH REACTORS IN 1985, IRAN SHOULD ALSO HAVE OPPORTUNITY TO HAVE FUEL REPROCESSED IN FRANCE AND GET FABRICATED PLUTONIUM FUEL FOR IRAN UNDER SAME CONDITIONS IN 1995. CONFIDENTIAL

CONFIDENTIAL

PAGE 04 STATE 049581

THIS, IN IRANIAN VIEW, WAS THE SUBSTANCE OF COMMITMENT BETWEEN PRESIDENT AND SHAH. IRAN DID NOT WANT TO BE PENALIZED BECAUSE IT WAS NNWS OR STARTED RELATIVELY LATE IN ITS NUCLEAR POWER PROGRAM.

7. IN RESPONSE TO U.S. CONCERN THAT MFN CLAUSE AS FORMULATED BY IRANIAN SIDE WAS TOO BROAD, AT CLOSE OF SESSION IN CONFIDENTIAL EXCHANGE, MONZOUR OFFERED ELEMENTS OF POSSIBLE COMPROMISE. LANGUAGE OF GENERAL MFN CLAUSE AS WELL AS SPECIFIC MFN CLAUSE CONCERNING REPROCESSING IN DRAFT NOTE WOULD REMAIN AS DRAFTED BY IRANIAN SIDE. IRAN WOULD THEN RESTRICT ITSELF IN THE NOTE TO ACTUALLY SEEK TO INVOKE MFN TREATMENT IN THREE AREAS: (1) NUCLEAR FUEL ASSURANCES, (2) EFFICIENT AND ECONOMIC OPERATION OF IRAN'S NUCLEAR PROGRAM AND (3) ACCESS TO ADVANCED CIVIL NUCLEAR TECHNOLOGY. THE UNITED STATES, IN RETURN, WOULD ASSURE IRAN THAT IT INTENDS TO EXERCIZE ITS RIGHTS UNDER THE AGREEMENT SO AS TO ASSURE THE EFFICIENT AND ECONOMIC OPERATION OF IRAN'S NUCLEAR PROGRAM.

8. ABOVE ASSURANCES WOULD BE DESIGNED TO ENSURE THAT MFN CLAUSE WOULD NOT UNDERMINE U.S. RIGHTS OR IRAN'S GUARANTEES UNDER THE AGREEMENT AND PROVIDE U.S. SOME FLEXIBILITY FOR EXCEPTIONAL CASES. HOWEVER, BASIC CONCEPT OF MFN AS REFLECTED IN IRANIAN LANGUAGE AND APPARENTLY IN CONVERSATION BETWEEN HEADS OF STATE, AS REFLECTED IN REFTTEL, WOULD REMAIN, E.G., U.S. WOULD OFFER IRAN SAME OPPORTUNITIES FOR NUCLEAR DEVELOPMENT AND FUEL CYCLE ACTIVITIES THAT WE OFFER ANY OTHER STATE, INCLUDING EC STATES.

9. IT APPEARS CLEAR THAT MONZOUR WAS UNDER FIRM CONFIDENTIAL

CONFIDENTIAL

PAGE 05 STATE 049581

INSTRUCTION NOT TO BUDGE ON MFN LANGUAGE. WHILE CLEARLY WILLING TO RESOLVE ALL OTHER ISSUES, HE REPEATEDLY STRESSED IN PRIVATE CONVERSATION THAT SUCH RESOLUTION WAS CONTINGENT ON U.S. ACCEPTANCE OF IRAN'S MFN FORMULATION. PROCEDURALLY, MONZOUR INDICATED THAT IF THIS FINAL QUESTION COULD BE RESOLVED, HE SAW POSSIBLE NEED FOR SHORT (PERHAPS 1 DAY SESSION) IN TEHRAN, TO FIRM UP TEXTS, THEN APPROVAL BY IRANIAN PARLIAMENT, FOLLOWED BY ETEMAD TRIP TO WASHINGTON FOR SIGNING OF AGREEMENT. HE ALSO ADDED THAT THEY WISHED TO COMMUNICATE ON THIS MATTER ON CLOSE HELD BASIS, PREFERABLY THROUGH U.S. DCM MIKLOS IN TEHRAN. ACTION REQUESTED: WASHINGTON AND EMBASSY CONSIDERATION OF NEXT STEPS TO RESOLVE THIS OUTSTANDING ISSUE. SMITH UNQUOTE VANCE

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01 jan 1994
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: NUCLEAR AGREEMENTS, NUCLEAR COOPERATION PROGRAMS
Control Number: n/a
Copy: SINGLE
Draft Date: 25 feb 1978
Decaption Date: 01 jan 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 20 Mar 2014
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1978STATE049581
Document Source: CORE
Document Unique ID: 00
Drafter: EUR/RPE:WRSALISBURY
Enclosure: DG ALTERED PER 78 VIENNA 2074
Executive Order: X1
Errors: N/A
Expiration:
Film Number: D780088-0708
Format: TEL
From: STATE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1978/newtext/t19780212/aaaaajtk.tel
Line Count: 190
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 23e621cf-c288-dd11-92da-001cc4696bcc
Office: ORIGIN EUR
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 4
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 78 TEHRAN 1044
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 26 may 2005
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 3472630
Secure: OPEN
Status: NATIVE
Subject: U.S./IRAN NUCLEAR COOPERATION AGREEMENT
TAGS: PARM, TECH, IR, US
To: USIAEA VIENNA
Type: TE
vdkgvwkey: odb://SAS/SAS.dbo.SAS_Docs/23e621cf-c288-dd11-92da-001cc4696bcc
Review Markings:
Sheryl P. Walter
Declassified/Released
US Department of State
EO Systematic Review
20 Mar 2014
Markings: Sheryl P. Walter Declassified/Released US Department of State EO Systematic Review 20 Mar 2014